

## SOUTH WEST COLLEGE GOVERNING BODY

Minutes of a meeting of the **Audit & Risk Committee**  
held on Wednesday 8 February 2023 at 3:30 pm  
via Microsoft Teams

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**PRESENT:** Ms Alana Jones Campbell (*items 1.0 – 9.0*)  
Ms Elaine Grier  
Mr Brian Ingram  
Mrs Patricia McCaffrey (Committee Chair)

**IN ATTENDANCE:** Dr Jill Cush, Deputy Chief Executive  
Mrs Joanne Lucas, Risk & Compliance Officer  
Ms Celine McCartan, Chief Executive  
Mr Ian McCartney, RSM  
Mrs Fiona McCauley, Secretary to the Governing Body  
Mrs Sharon McGrath, Head of Services (*item 6.0 only*)  
Mr Pdraig McNamee, ACE Learner Experience (*item 8.0 only*)  
Ms Suzanne Murphy, NI Audit Office  
Mr Sean O'Donnell, Head of Finance  
Mr Brian Patterson, DfE

### **1.0 APOLOGIES**

It was noted that Ms Breen hoped to join the meeting at a later juncture.

### **2.0 CONFLICT OF INTEREST DECLARATIONS**

Mrs McCaffrey declared a family connection in relation to a member of staff referenced in section 4.2.1 of paper 05 and undertook to withdraw from the meeting for any discussion on this matter if required.

### **3.0 MATTERS ARISING FROM MINUTES OF PREVIOUS MEETING**

PREVIOUSLY ISSUED to all members:

- Paper 03 Minutes of the Audit & Risk Committee meeting held on Wednesday 9 November 2022.

There were no matters arising from the minutes.

### **4.0 INTERNAL AUDIT**

PREVIOUSLY ISSUED to all members:

- Paper 04.01 Report on Progress of Internal Audit Plan
- Paper 04.02 Report on Audit of Repairs & Maintenance
- Paper 04.03 Report on Audit of Work Placements
- Paper 04.04 Report on Interim Follow-Up Review of Internal Audit Recommendations
- Paper 04.05 Emerging Risk Radar.

#### **4.1 Progress of Internal Audit Plan**

Mr McCartney informed the meeting that reports on the audits of Repairs & Maintenance and Work Placements have been finalized to be presented forthwith along with the report on the Interim Follow Up Review of Outstanding Recommendations. He added that fieldwork has been undertaken on the audit of Business Continuity Planning & Disaster Recovery, on the audit of the Framework for Compliance with Legal and Regulatory Requirements in relation to Fraud, Whistleblowing and Bribery and on the audit of Key Financial Controls including Payroll. He explained that the advisory review of Lost Learning would be undertaken in the forthcoming months and highlighted the additional reports provided on the Cyber Security Landscape in Further Education, Digital Skills Provision for 16 to 19 Year Olds and Emerging Risks.

Ms McCartan informed the Committee of a variation to the Internal Audit Plan to incorporate an additional audit of email access controls as agreed by the Committee Chair. She advised that the draft report had been received immediately prior to the meeting with a limited assurance rating awarded.

#### **4.2 Internal Audit of Repairs and Maintenance**

Mr McCartney confirmed that a satisfactory assurance rating had been awarded following an internal audit review of Repairs & Maintenance. He then took the Committee through the five low priority and one medium priority recommendations made and highlighted the four areas of good practice identified. Mrs McCaffrey noted the good progress made in the implementation of these recommendations.

#### **4.3 Internal Audit of Work Placements**

Mr McCartney confirmed that a satisfactory assurance rating had been awarded following an internal audit review of Work Placements. He then took the Committee through the three low priority recommendations made and highlighted the seven areas of good practice identified.

Ms McCartan reminded the meeting that the audit of Work Placements had been undertaken as a follow up to an audit of Marketing & Employability Arrangements undertaken in 2021/22, which had received a limited assurance rating due to weaknesses in the 'Employability' element. The Committee Chair commended those involved in addressing the weaknesses to enable a satisfactory assurance to be achieved.

#### **4.4 Interim Follow Up Review of Internal Audit Recommendations**

Mr McCartney explained that a sample of 10 of the 50 prior year recommendations had been reviewed and that nine of these had been found to be fully implemented with implementation of the remaining action ongoing. He reported that good progress in implementing the agreed actions had been recorded as a result.

#### **4.5 Emerging Risks Radar**

Mr McCartney referenced the Emerging Risk Radar Report, highlighting the current, short to medium term and medium to long term emerging risks.

## 5.0 REPORT ON FRAUD AND RAISING A CONCERN

PREVIOUSLY ISSUED to all members:

- Paper 05 Report on Fraud and Raising a Concern.

Mrs Lucas began her report by highlighting the assurance provided by senior managers regarding fraud, bribery and corruption and confirming that the Fraud Risk Assessment to the Department for the Economy (DfE) has been reviewed and amended to incorporate the suggestion made at the November 2022 committee meeting.

She then provided an update on the actions taken in relation to the concerns reported at the November 2022 committee meeting and referenced the details provided in paper 05 of four concerns raised since this meeting.

In concluding her report, she drew attention to the requirement to publish the Gifts & Hospitality Register on the College's website and noted the technical work underway to meet this requirement.

In response to questions and comments from members on the absence of a Raising a Concern Champion following the resignation of the former postholder, the meeting was apprised of the review being undertaken of this position including gathering staff feedback, through the Change Team, on the optimal means of providing them with the opportunity and confidence to raise concerns. The meeting was also made aware of the alternative means of raising a concern within the Raising a Concern policy framework, and, in response to a suggestion from the Committee Chair, Ms McCartan undertook to highlight these alternative means in a forthcoming staff communication.

It was noted that the Fraud and Raising a Concern report had been merged and members conveyed their satisfaction with this approach.

**AGREED: Ms McCartan to highlight the alternative means of raising a concern in a forthcoming staff communication.**

## 6.0 TECHNICAL SERVICES IT SECURITY REPORT

PREVIOUSLY ISSUED to all members:

- Paper 06.01 Technical Services IT Security Report
- Paper 06.02 Cyber Essentials Gap Analysis.

***Mrs McGrath, Head of Services, joined the meeting for this item.***

Mrs McGrath advised that a comprehensive gap analysis for Cyber Essentials accreditation had been undertaken by an external consultancy. She reported that concerns had been identified as a result of this exercise and proceeded to outline the key actions required including the appointment of a dedicated resource with responsibility for IT security, the consolidation of the software library and the development of a Bring Your Own Device Policy requiring security checks on personal devices. She noted the six month timeframe for implementation of the recommendations and submission of an application for Cyber Essentials accreditation.

Mrs McGrath went on to inform members of a security breach of the system of one of the College's service providers. She explained that no customer data was extracted and that contingency measures have been put in place in relation to the affected system to enhance the security of the College's data.

Mrs McGrath also reported on an external penetration test undertaken and on the progress made in addressing the issues arising from this exercise.

In response to questions from members, Mrs McGrath, acknowledged the challenging nature of the measures to be implemented under the Bring Your Own Device Policy, commented on the effectiveness of the Barracuda firewall, confirmed that IT insurance is in place and spoke of the support provided by DfE in resourcing a number of the initiatives required to address the issues identified. Ms McCartan commented on the action already taken to implement a number of the high priority recommendations and on the further progress required to address the issues raised.

***Mrs McGrath withdrew from the meeting at this juncture.***

## **7.0 MANAGEMENT REPORT**

PREVIOUSLY ISSUED to all members:

- Paper 07 Management Report
- Paper 07.01 Legacy Internal Audit Actions Requiring Management Attention
- Paper 07.02 Management Actions from Internal Audit 2022/23
- Paper 07.03 Corporate Risk Register
- Paper 07.04 Emerging Issues
- Paper 07.05 Report on Direct Award Contracts
- Paper 07.06 Data Services Report
- Paper 07.07 Customer Complaints and Compliments Policy.

### **7.1 Internal Audit Recommendations and Management Actions**

*Ref: Management report section 1.0 and Papers 07.01 & 07.02*

With reference to paper 07.01, Mrs Lucas explained that nine recommendations remain open. Drawing attention to the recommendation that additional identity checks should be sought for Subject Access Requests, Mrs Lucas informed the meeting of the College's assertion that this may deter people from making data requests and sought the Committee's view on whether additional checks should be implemented. Following a brief discussion, it was agreed that additional checks should be implemented where sensitive data is requested and that the Data Subject Rights Procedure is otherwise sufficient. Mr McCartney accepted this amendment subject to a review of the revised procedure.

**AGREED: that Data Subject Rights Procedure is amended to seek additional identity checks in the case of sensitive data requests.**

In response to a query, Mrs Lucas confirmed that all subject access requests are documented as required. Mrs McCaffrey commended staff for the progress made in reducing the number of outstanding actions from 50 to nine.

### **7.2 Corporate Risk Register Review**

*Ref: Management Report section 2.0 and Paper 07.03*

In response to a request for further detail on the risks associated with Health & Safety and Safeguarding, Mrs Lucas, supported by Ms McCartan, commented on the importance of managing these inherent risks, confirmed that appropriate frameworks are in place to do so, explained that the description of the risks and controls would mature over time and provided assurance that the addition of these risks has not been instigated by any safeguarding or health & safety incidents. The additional risk brought

by the work placement element of the Traineeships and Apprenticeships programmes was discussed and the importance of strict adherence to procedures in relation to work placement providers was highlighted.

In response to a question from a member on the status of the risk posed by the review of the Further Education (FE) delivery model, Ms McCartan commented on the ongoing nature of this review and the consequent need to keep the associated risk under review.

### **7.3 Emerging Issues Log**

*Ref: Management Report Section 3.0 and Paper 07.04*

With reference to paper 07.04, Mrs Lucas listed the five emerging issues identified for close monitoring and noted the alignment of these with the RSM Emerging Risk Radar Report. Members commented on the value of this exercise as part of the risk management framework.

### **8.0 DEEP DIVE OF RISK ASSOCIATED WITH LEARNER EXPERIENCE**

PREVIOUSLY ISSUED to all members:

- Paper 08 Deep Dive of Risk Associated with Learner Experience.

***Mr McNamee, Assistant Chief Executive for Learner Experience, joined the meeting for this item.***

Mrs McCaffrey reflected on the training held for management and committee members on deep dives of corporate risks and acknowledged the first presentation of risks in this format.

Mr McNamee began by commenting on the value of the exercise in examining the risk associated with failing to provide a high quality experience for all learners thereby enabling more effective controls to be put in place. With reference to paper 08, he then provided a comprehensive analysis of the risk, detailing the seven potential causes identified as well as the existing mitigations, the additional actions planned, the three forms of assurance in place and the resulting assurance level in each case. In response to queries from members, Mr McNamee provided further details of the planned pilot to create a designated space for Higher Education (HE) students and acknowledged the importance of attendance data in providing assurance on retention.

The value of the deep dive exercise in providing assurance to committee members and in enhancing the awareness amongst staff of the alignment of controls with levels of assurance, was noted. The placement of the risk management framework as a key component of strategic planning was highlighted as was the importance of the continuous review of risks in allowing early identification and mitigation of issues.

Following consideration of other corporate risks, it was then agreed to defer the planned presentation of the deep dive of the risk associated with the introduction of TAMS and to present a deep dive of the Health & Safety risk at the May 2023 committee meeting. It was also agreed to schedule a presentation on the risk associated with instability and vulnerability in the IT infrastructure.

**AGREED: to receive a presentation on a deep dive of the Health & Safety risk at the May 2023 committee meeting and to schedule presentations on the risks associated with the introduction of TAMS and the instability and vulnerability in the IT infrastructure at subsequent meetings.**

***Mr McNamee withdrew from the meeting at this juncture.***

## 9.0 **EXTERNAL AUDIT**

PREVIOUSLY ISSUED to all members:

- Paper 09.01 Report to Those Charged with Governance
- Paper 09.02 Letter to Accounting Officers re ISA 315
- Paper 09.03 ISA 315 – Briefing for Management and Those Charged with Governance.

Ms Murphy confirmed that the College's Annual Report & Financial Statements 2021/22 were signed off by the Comptroller & Auditor General in December 2022. She drew attention to the Report to Those Charged with Governance, explained that no additional recommendations had been made from the draft presented to the Committee at its November 2022 meeting and highlighted the actions for the Audit Committee on page 4 as well as the management response to the recommendation made on page 11.

In relation to the audit of the College's Annual Report & Financial Statements for the 2022/23 financial year and referencing papers 09.02 and 09.03, she then informed the meeting of the introduction of ISA 315 requiring more detailed and extensive risk assessment procedures to identify risks of material misstatement. She noted the increased resource requirement from the College and the NIAO as well as the associated anticipated fee increase, and advised that further detail would be outlined in the Audit Strategy scheduled to be presented to the Committee at its May 2023 meeting.

In response to questions and comments on the scope for reliance to be placed on other sources with a view to generating efficiencies, Ms Murphy acknowledged the increased cost of the audit in the context of budgetary reductions, spoke of the requirements of the new standard and provided assurance that costs will be minimized where possible.

In response to questions and comments on the additional audit of the College's accounts to 31 March, required to incorporate the College's accounts into DfE's accounts, Mrs Murphy detailed the processes undertaken to date as well as those planned, acknowledged the additional resource required by colleges to meet the requirements of incorporation into the Whole of Government Accounts and noted that the information provided for the additional audit may reduce the sampling requirement for the audit of colleges' year end accounts. It was noted that any change to colleges' financial year would require legislative change and is unlikely to take place in the short term due to the present political environment. Ms McCartan spoke of the resourcing challenges within the College and registered her concern with the audit approach.

***Ms Jones Campbell withdrew from the meeting at this juncture.***

The Committee Chair welcomed the discussion held on forthcoming audits and highlighted the need to ensure that the Finance team is appropriately resourced to meet DfE requirements.

## 10.0 **MANAGEMENT REPORT (CONTINUED)**

### 10.1 **Policy Review**

*Ref: Management Report Section 10.0 and Paper 07.07*

**AGREED: that the Customer Complaints and Compliments Policy be recommended to the Governing Body for approval.**

**10.2 Other**

*Ref: Management Report Sections 4.0 – 9.0 and Papers 07.05 & 07.06*

The updates provided on Direct Award Contracts, Data Services, the NI Government Annual Theft and Fraud Report, the Annual Accountability Meeting with DfE, the Partnership Agreement with DfE and the strategy for the audit of the College's accounts to 31 March 2023 were noted by the Committee.

**10.0 ANY OTHER RELEVANT BUSINESS**

No further business was raised.

**11.0 REVIEW OF OUTSTANDING ACTIONS**

PREVIOUSLY ISSUED to all members:

- Paper 11 List of Outstanding Actions

A review of the outstanding actions contained within paper 11 was undertaken. The resultant list of outstanding actions is contained within Appendix A.

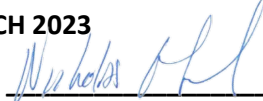
**12.0 REFLECTION ON EFFECTIVENESS OF MEETING**

No comments were made under this agenda item.

*The meeting concluded at 5:45 pm.*

**CONFIRMED AND ADOPTED BY THE GOVERNING BODY AT A MEETING HELD ON WEDNESDAY  
8 MARCH 2023**

CHAIR



DATE 08/03/2023

## SUMMARY OF OUTSTANDING ACTIONS

	Meeting Date	Minute Ref	Action
1	08/02/2023	5.0	Ms McCartan to highlight the alternative means of raising a concern in a forthcoming staff communication.
2	08/02/2023	7.1	Data Subject Rights Procedure to be amended to seek additional identity checks in the case of sensitive data requests.
3	08/02/2023	8.0	Presentation on a deep dive of the Health & Safety risk to be provided at the May 2023 committee meeting.
4	08/02/2023	8.0	Presentations on the risks associated with the introduction of TAMS and instability and vulnerability in the IT infrastructure to be scheduled for subsequent meetings.